

R.C.DUTT LECTURES  
ON POLITICAL ECONOMY, 1977

**B. N. GANGULI**

**SOME ASPECTS OF CLASSICAL  
POLITICAL ECONOMY IN THE  
NINETEENTH CENTURY INDIAN  
PERSPECTIVE**

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CENTRE FOR STUDIES  
IN SOCIAL SCIENCES, CALCUTTA

R. C. DUTT LECTURES ON  
POLITICAL ECONOMY

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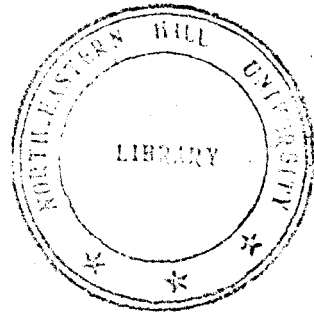
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[1976]

B. N. GANGULI

*Some Aspects of Classical Political  
Economy in the Nineteenth Century  
Indian Perspective*  
[1977]

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Political Economy in the  
Nineteenth Century  
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B. N. GANGULI



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## Romesh Chunder Dutt Lectures on Political Economy

ON 28 February and 1 March 1977, Professor B. N. Ganguli delivered the Third R. C. Dutt Lectures at our Centre. I deeply regret our inability to present this volume to him before he passed away on 9 September 1978. Just before that, he had written a few letters to me about the publication, with the easy warmth and friendliness which he dispensed to his juniors and contemporaries alike.

Dr. Ganguli's Ph.D. thesis was written and published in a period when scholars like V. K. R. V. Rao, B. P. Adarkar, A. K. Dasgupta and H. Venkatasubbaiah were preparing some of the early texts in the new analytical study of Indian economics. *Trends of Agriculture and Population in the Ganges Valley: A Study in Agricultural Economics* (1938) worked out the relations of demographic change to a multiplicity of natural and social variables within a definitely marked geographical region, the upper, middle and deltaic Gangetic Valley. This was one of the earliest examples of a consciously multidisciplinary approach in Indian social science.

His published research continued to deal with substantive themes such as the rupee-sterling ratio controversy (1939), the evolving pattern of India's trade relationships with the U.K. and U.S.A. in the twentieth century, as well as with Asia and the Pacific (1946 and 1956), and the devaluation of the rupee (1949-50 and 1966).

Dr. Ganguli taught in Dacca University, the Delhi Hindu College and then in the Delhi School of Economics, of which he, along with Prof. V. K. R. V. Rao, was one of the main architects. A distinguished career in academic administration was capped with the Vice-Chancellorship of Delhi University in the late 1960s. Perhaps the most fruitful period of the DSE was the period

when Dr. Ganguli and his successor, K. N. Raj, were its Directors. Dr. Ganguli encouraged the multifaceted advanced research and teaching of a newer generation of theoretical economists; and endeavoured to correct what was then believed to be their obsession with mathematics by encouraging the recruitment of social anthropologists and economic historians. At this time Delhi became the centre of modern enquiry in the social sciences in India. At the same time, travel on a government delegation to China in the 1950s gave him a deep and abiding admiration for the processes of popular mobilisation, which also led him to understand the weakness of trying to impose liberalism from above.

His academic interests then shifted towards problems of theory and development economics. *Economic Integration (Regional, National and International)* was his subject for the 1961 R. R. Kale Memorial Lecture of the Gokhale Institute of Politics and Economics at Poona. A new awareness of the consequences in the developing world of the era of colonialism shows through, for instance, in comments on free market economics: 'Ropke's integrated world community . . . excluded the major part of humanity from the blessings of economic development which are supposed to be generally diffused in the community through the system of the division of labour and exchange. The formerly dependent peoples have now given up their passive role on the basis of which international economic integration was sought to be achieved in the previous generation. The consequent disintegration that followed is, therefore, more apparent than real. In fact the real problem has been posed for the first time in our generation and we obviously need a new concept of integration to be able to face it squarely' (p. 4). There was nothing radical in this shift of interests. Most Indian liberals in the 1960s were adjusting themselves to the changing distribution of power and effects, institutional imbalances and rigidities in the evolving international economic order. Dr. Ganguli was only

ahead of his contemporaries in beginning to realise that there were processes operating within the sphere of international economic relationships which perhaps made the liberal ideology outmoded.

About the time he was due to retire from work, his interests shifted even more radically to the history of Indian economic thought. His particular interest was the nineteenth century, when modern political economy, for the first time, came into its own in our country. He wrote on Marxian analysis, and on Gandhi. The publication of new writings on Indian economic history, such as in the *Indian Social and Economic History Review*, or in Bipan Chandra's *Rise and Growth of Economic Nationalism in India, 1880 to 1905*, may also have influenced Dr. Ganguli's researches, first on Dadabhai Naoroji, R. C. Dutt and their formulation of 'the drain theory', and then in his solid work for the Indian Economic Association, *Indian Economic Thought: Nineteenth Century Perspectives* (1977).

In the last decade of his life, Dr. Ganguli appears to have sought to come to terms with the political commitment and social values of his previous two generations of scholarship, less rigorous or precise, perhaps, in their application of analytical methods, but more steeped in anti-colonial outlook and political concern, however intellectual they may have been. So his sense of wonder at uncovering the consistency of the ideas of men like R. C. Dutt, G. V. Joshi, G. Subramania Iyer or Satish Mukherjee and others comes out with somewhat startling freshness. With the same sense of discovery Dr. Ganguli wrote about the origins of the idea of equality in nineteenth and twentieth century India. He also began to devote himself to the study of women rebels such as Rosa Luxemburg and Emma Goldman, and of the equal participation by women in social activity in contemporary India and other parts of the world.

Perhaps Dr. Ganguli was led to give these lectures on the Western influence on nineteenth century Indian poli-

tical economy within that personal context of rejuvenated search for identity in the recent past, a past which his contemporaries or juniors had perhaps tended to look down upon for being exceptionally emotive and value-loaded in its morality, lacking in technical rigour, or bedevilled and constrained by *damnosa hereditas* of the colonial impact. At a certain level, he perhaps felt empathy for administrators in the great traditions of western influence like R. C. Dutt, rather than for school teachers, journalists and political activists in the indigenous 'little tradition' of anti-British propaganda, represented by Sakharam Ganesh Deuskar, to whom our Centre's other set of annual public lectures (on Indian history) are dedicated. However that may be, one is left with an abiding sense of respect for a scholar who was prepared to enter an arena of intellectual controversy, the history of economic theory in the colonial context, at an advanced age, and with such unaffected and warm sympathies.

BARUN DE

*Director, Centre for Studies  
in Social Sciences, Calcutta*

# Some Aspects of Classical Political Economy in the Nineteenth Century Indian Perspective

## LECTURE ONE

ADAM SMITH – BENTHAM – MALTHUS – RICARDO

**M**AY I begin with a brief explanation of how I shall proceed to develop the theme of my two lectures? Owing to the obvious constraints of time, I propose to concentrate on only a few seminal aspects of classical political economy, which the Indian educated elite in the nineteenth century found relevant for an understanding of the contemporary Indian economic situation. Their British counterpart—the ruling elite both in India and Britain—was often a medium through which western economic ideas filtered into Indian minds; but there are reasons to believe that although a distorted mirror image of political economy was sometimes likely to be projected by such a process, the knowledge of political economy was not entirely passively acquired. We find clear evidence, at any rate in the second half of the last century, of a critical familiarity with the doctrines of British classical economists and of an anxiety to understand how far their doctrines were relevant to the Indian economy, as Indians understood it to have been during the period of British rule and even earlier. Amongst the distinguished band of eminent Indians of this description we have, for example, Romesh Chunder Dutt, in whose memory this Centre has very thoughtfully been arranging annual lectures on political economy, which I have been privileged to deliver this year.

## LECTURE TWO

CLIFFE LESLIE — CAIRNES — JOHN STUART MILL

MY second lecture will be devoted almost entirely to John Stuart Mill—a great humanist thinker with libertarian ideas, whose economics cast a spell on Indian economic commentators in the second half of the nineteenth century. The keynote of his economic philosophy was eclecticism and syncretism. Karl Marx said: ‘The opponents of political economy—socialism and communism—find their theoretical basis in the work of classical economists, especially in Ricardo, who must be considered as its most perfect and final expression.’ Marx disparaged Mill’s contribution by saying that ‘political economic literature lost its way in eclectic, syncretic compendiums, like the work of J. S. Mill.’<sup>7</sup> Ricardo (as well as his predecessor Adam Smith) had pictured the relations of production as antagonistic. Marx regarded this as the fundamental truth underlying classical political economy. It ‘lost its way’ in so far as it was in search of harmony and equilibrium based on harmony. Mill’s eclecticism and syncretism was admitted. Mill was unlike Bastiat or Carey, both of whom Marx took severely to task. On the other hand, one may take the view that the Ricardian abstract, ‘new economics’ can alone be considered as economics, and not the old-style political economy. J. S. Mill’s syncretism did contain the dimension of the state as a factor in economic life and of social institutions as the background of economic life. It absorbed some of the contributions of the historical school of economics and sociology. It emphasized the relativity of economic phenomena as well as of economic theory. From this angle, political economy had not lost its way. It was perhaps a stage in its evolution, although Mill’s systematization was bound to contain contradic-

Dr. B. N. Ganguli was an eminent economist and educationist of India. Years of distinguished teaching were capped, first with the Directorship of the Delhi School of Economics which covers a lot to Dr. Ganguli for its present reputation and finally the Vice-Chancellorship of Delhi University in the late '60s. Among his important works are *Trends of Agriculture and Populations in the Ganges Valley*, *Economic Integration (Regional, National and International)* and *Indian Economic Thought : Nineteenth Century Perspectives*.

Called upon to deliver the third of the R. C. Dutt Lectures on Political Economy of the Centre for Studies in Social Sciences, Calcutta, Dr. Ganguli chose "to give a selective exposition of such doctrines of classical political economy as were relevant to contemporary economic problems as perceived by contemporary Indians themselves". Concentrating on key nineteenth century thinkers such as Adam Smith, Bentham, Malthus, Ricardo, Cliffe Leslie, Cairnes and J. S. Mill, Dr. Ganguli cogently argues that whatever part of their doctrines the nineteenth century Indian educated elite accepted or rejected, they did so for quite valid reasons in the light of contemporary Indian economic reality.

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